

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 2070

SPONSOR: Transportation Committee and Senator Sebesta

SUBJECT: Public Transit

DATE: April 8, 2003                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>McAuliffe</u>	<u>Meyer</u>	<u>TR</u>	<u>Fav/CS</u>
2.	_____	_____	<u>ATD</u>	_____
3.	_____	_____	<u>AP</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

This CS amends several sections in chapter 341, F.S., to make intercity bus services eligible for federal block grants and state matching funds, and to ensure they receive the full amount of federal funding available in the Florida Department of Transportation’s (FDOT’s) budget. The term, “intercity bus service,” is narrowly defined in the CS, so it refers only to Greyhound Bus Lines.

This CS substantially amends sections 341.031, 341.041, 341.051, and 341.053 of the Florida Statutes.

**II. Present Situation:**

Pursuant to chapter 341, F.S., the Transit Office within FDOT administers federal and state transit grants, monitors compliance with transit safety regulations, and provides planning and technical assistance to Florida's transit agencies and local communities. The Transit Office developed Transit 2020 in collaboration with state and local government agencies, transit providers, community leaders and the general public. Transit 2020 is a statewide strategic plan which will guide the development of transit in Florida over the next 20 years.

The Transit Office’s FY 02-03 capital outlay budget totals \$117.1 million; \$77 million in non-matched state funds; \$15.9 million in federal funds; and \$24.2 million state and federal grant funds. Most of these grants are awarded through a competitive application process by entities that meet the basic criteria. Among those receiving these funds are 25 fixed-route bus or train systems operated by cities or counties. An additional \$8.1 million in state transit funds, from the state transit block grant program, appropriated to the Florida Transportation Disadvantaged

Program, which purchases transportation services for the disabled, the elderly, and Medicaid recipients.

Nearly all of the Transit Office's funding is appropriated to public agencies and private, nonprofit transit agencies. Since 1991, federal transit law has earmarked a minimum 15 percent of 49 U.S.C. Section 5311(f) for intercity bus services, unless the governor of a state receiving these funds certifies the needs are currently being met. This current fiscal year, 15 percent of the Section 5311(f) funds received by FDOT totals \$1,017,552. It was shared by Greyhound Bus Lines, the Polk County Transit Service's Intercity Bus Service, and a few other public transit entities.

Florida law does not specifically authorize state funds to be directly appropriated to privately owned intercity bus services, therefore, FDOT has routinely assisted Greyhound indirectly by providing funds to an eligible public transit entity for a project from which both public and private transit services benefit, such as an intermodal terminal. This fiscal year Greyhound also received a \$194,000 operating federal subsidy for its Florida Keys/Monroe County route and \$107,484 in federal capital funds to make some of its buses wheelchair-accessible.

### **III. Effect of Proposed Changes:**

The CS amends s. 341.031, F.S., to define "intercity bus service," as any regularly scheduled bus service for the general public which:

- Operates with limited stops over fixed routes connecting two or more urban areas not in close proximity;
- Has the capacity for transporting baggage carried by its passengers;
- Makes meaningful connections with scheduled intercity bus service to more distant points, if such service is available;
- Maintains scheduled information in the National Official Bus Guide; and
- Provides package express service incidental to passenger transportation.

Further, the CS defines "eligible bus carrier" or "carrier" as a private company that has operated defined intercity bus service in the state, with formal authority in accordance with the rules and regulations of the Federal Motor Carrier Safety Administration and the Surface Administration Transportation Board of the U.S. Department of Transportation, for a minimum of two years. According to FDOT, only Greyhound Bus Lines meets these new definitions.

The section is further amended to define "Eligible intercity bus costs" as the total costs directly incident to the provision of intercity bus service, including any depreciation or amortization of capital assets purchased without public financial assistance. "Intercity bus capital project" is defined as a capital project undertaken by an intercity bus carrier to provide intercity bus service, and is limited to acquisition, design, construction, reconstruction, or improvement of a privately operated intercity bus service. Projects may include that portion of a governmentally owned or operated transit system designed to support privately operated intercity bus service.

Chapter 341, F.S., is further amended to:

- Direct FDOT to add intercity bus service to its statewide transit plan;
- Formulate a program to finance intercity bus service projects;
- Provide technical and financial operating assistance to intercity bus companies;
- Making department-owned transit vehicles available for short-term lease to intercity bus services; and
- Coordinate activities and assist in developing and implementing marketing and passenger information programs.

FDOT currently provides these services to local-government transit agencies.

The CS directs FDOT to utilize and dedicate federal funds apportioned to intercity bus service pursuant to federal guidelines to support a statewide intercity bus network, and specifies intercity bus service and intercity bus service projects are eligible for 100 percent funding in federal transit aid for capital projects and for state matching funds. The CS further authorizes FDOT to fund up to 100 percent of the federal aid apportionment for intercity bus service.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

##### **B. Public Records/Open Meetings Issues:**

None.

##### **C. Trust Funds Restrictions:**

None.

#### **V. Economic Impact and Fiscal Note:**

##### **A. Tax/Fee Issues:**

None.

##### **B. Private Sector Impact:**

This CS will generate additional funds for intercity bus service companies (currently, only Greyhound Bus Lines qualifies under the definitions provided in this CS). The amount is indeterminate, because the companies will have to submit applications for grant funding.

The CS also makes intercity bus service companies eligible for participation in FDOT's vehicle lease program in s. 341.041(4). F.S., which typically has assisted public transit agencies by leasing equipment for limited duration to cover special needs, such as new service startup, at a below-market rates. While a benefit to eligible intercity bus service

companies, private-sector competitors, who would have to purchase or lease vehicles at the higher market rate, could be placed an economic disadvantage.

C. Government Sector Impact:

Indeterminate.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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